

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1873 - SB 1978

February 16, 2014

SUMMARY OF BILL: Requires a recipient of any FastTrack economic development grant or loan awarded on or after July 1, 2014, to file a report with the Department of Economic and Community Development by February 1 of each year for the duration of the grant or loan, and specifies the type of information that must be included in such a report. Requires the Department to publish all filed reports on its website by April 1 of each year, and to provide all of the data from the reports both in a searchable database and as a spreadsheet that can be downloaded in its entirety. Requires the Department to also provide on its website any determinations as to whether the recipient is meeting the requirements of the grant or loan, any penalties assessed by the Department for failure to meet such requirements, and any non-confidential documents related to the grant or loan. Establishes a \$500 per day penalty for failure to provide the Department with the required report.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$273,400/FY14-15
\$199,000/FY15-16 and Subsequent Years**

Assumptions:

- According to the Department, there are approximately 30 new economic development five-year grants provided each year.
- The Department estimates that two additional Attorney positions will be required to execute the requirements of this bill. The recurring increase in state expenditures associated with these two positions is estimated to be \$179,040 (\$124,320 salaries + \$34,520 benefits + \$20,200 rentals and insurance, supplies and materials, and other); the one-time increase in state expenditures is estimated to be \$4,400 (\$3,200 computer related + \$1,200 training).
- The development of a tracking database with optical character recognition software enabling the files to be searchable will result in a one-time increase in state expenditures of \$90,000. The recurring increase in state expenditures associated with the maintenance of the database is estimated to be \$20,000 per year, beginning in FY15-16.
- The total increase in state expenditures is estimated to be \$273,440 (\$179,040 + \$4,400 + \$90,000) in FY14-15, and \$199,040 (\$179,040 + \$20,000) in FY15-16 and subsequent years.

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- Any increase in state revenue from the fees for failure to provide the required report is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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